

Financial Journalism: what are we going to do about it?

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Peston on the panel

Why didn't they see it coming? Why didn't the financial media tell us that capitalism was about to implode? How can it help us through the current climate of cuts and austerity? Since 2008 Financial journalism has had a lot of questions to answer.

That's why we do [research on it at Polis](#) [indeed we have a seminar on **September 22nd** – email polis@lse.ac.uk if you are interested] and why the [Centre for the Study of Financial Innovation](#) held a public discussion with top business journalists like the BBC's Robert Peston and MoneyWeek's Merryn Somerset-Webb in the City this week.

In fact, there is lots of very good financial journalism in the UK and some of it's getting better. Even the business people seemed to think so – including Sir Michael Bishop, who has been subject to great media attention in the past. The BBC has upped its game in this area and specialist magazines like MoneyWeek provide fantastic personal finance coverage and independent and hard-hitting analysis. But it can never be good enough.

Financial journalism will always disappoint those in a complex and basically boring business who bemoan the fact that the media is ignorant and that the public doesn't understand (or care) about the finer points about annuities, dividends and compound interest rates.

Indeed, specialist financial journalism will always fail to reach the great mass of people who really need to know, as opposed to the silver surfers with time and money on their hand to investigate the issues and profit from the good financial journalism that is out there.

Some real barriers to progress were identified:

1. The chilling effect of litigation and financial PR
2. The lack of resource for investigation
3. The lack of journalists who are passionate and expert about finance – as opposed to doing it by default

Some ideas were suggested to improve the situation. How about a compulsory Personal Finance GCSE in schools? Robert Peston also made the point that there needs to be a more sophisticated approach by companies to encourage engagement in financial affairs by the media and thus the public.

I would go further.

If you look at science, it has improved reporting of the subject by a concerted effort to address the previous faults of science reporting. A Science Media Centre was set up. Scientists were trained and encouraged to deal with the media. Media organisations made a deliberate effort to improve their coverage – for example of climate change. Money was put into research about science media. People like Ben Goldacre were prepared to use new media (as well as old) to speak out independently and critically both about science and science media's faults.

That is what finance needs.

We also need to know more about what people understand about finance through the media. How do they get their information and what do they do with it? How good is the information? How can we improve journalist training? How good are our financial journalists? What are the codes and practices in respect of PR or law?

Polis is doing some work in this area but both the financial media and the financial industry itself needs to be much more involved. It won't be able to improve the situation until it knows what the problem is.



The City crowd

And this is going to become ever more important. We already have to manage our own private financial affairs, now the government is hoping that we will be able to manage all our financial dealings with the state as well. That's why financial journalism matters.

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